GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1327
ANSWERED ON:24.07.2017
Revival of SAIL
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Will the Minister of STEEL be pleased to state:

(a) whether the Government has set up an expert panel to help revive SAIL after a Government review found the company to be far less efficient, despite spending more than $10 billion in the past eight years;
(b) if so, the composition and terms of reference of the Panel and the time by which the panel is likely to submit its report;
(c) whether SAIL had failed to take advantage of protectionist measures that have helped private companies out-price Chinese steel and improve their margins, if so, the details thereof;
(d) whether SAIL fares poorly when compared to international efficiency standards and those of private Indian companies and if so, the details thereof; and
(e) the steps taken by the Government to find ways to lower production costs and to improve branding and marketing of SAIL?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a)&(b): A committee comprising of members from Ministry of Steel, PSUs and technical experts has been set up for revival of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). The Terms of Reference of the Committee include chalking out a plan with focus on increasing production, sales and improving financial health of SAIL. Technical Experts which are members of the Committee will suggest specific measures for improvement for units of SAIL.

(c) Due to measures taken by the Government in 2016-17 SAIL could increase its domestic sales from 11.901 MT in 2015-16 to 12.436 MT in 2016-17 (a growth of 4%). SAIL also improved its market share from 13.7% in 2015-16 to 14.0% in 2016-17. Further, the gross margin (EBIDTA) of SAIL has improved from (-) 2204 in 2015-16 to (+) 672 in 2016-17.

(d) The parameters of SAIL relating to the new facilities installed by SAIL under Modernization and Expansion Plan are state-of-the-art and comparable to international standards.

(e) SAIL has taken significant measures to lower production costs and improve branding and marketing of SAIL which inter-alia include:-

i) Product-mix enrichment and increasing production from new facilities;
ii) Increasing Coal Dust Injection in Blast Furnaces to reduce the requirement of BF coke;
iii) Production of crude steel through cost effective continuous casting route;
iv) Organising customer meets and seminars for product familiarization; and
v) Creation of 'Special Initiative Group' in April, 2017 to provide increased value to the customer as well as enhancing SAIL's product basket.

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